

# LOS ALAMOS COMMUNITY SERVICES DISTRICT

82 North Saint Joseph St • (805) 344-4195 • Fax (805) 344-2908

Post Office Box 675

LOS ALAMOS, CALIFORNIA 93440

November 1, 2016

Re: Purchasing RO Water from Oilfields

Dear Mr. Falkenhagen

It was nice talking to you on the phone the other day about your Project and I am in receipt of your letter dated October 31, 2016. I have also discussed this request with our Board of Directors at our Regular Board Meeting on October 26, 2016, and with Jeff Densmore, P.E. State Water Resources Control Board, Division of Drinking Water and we have all concluded that this is not a costly or viable option for Los Alamos Community Services District (LACSD) at this time.

The LACSD provides water and wastewater service to 605 homes to a population of about 1800 people and uses roughly 1% of the overall water within the San Antonio Groundwater Basin, 19% is other domestic uses and 80% goes to agriculture. The LACSD has been working with the Santa Barbara County Water Agency, Vandenberg Air Force Base and the various water stakeholders within the San Antonio Basin for the past several years to conduct a technical study of the overall condition of the basin and to develop a GSA (Groundwater Sustainability Agency) and GSP (Groundwater Sustainable Plan)

In addition, the LACSD currently has a Water Conservation Ordinance in place and is proactively working with the Community to conserve water **due to continued drought conditions not because we feel we are at risk of running out of water.**

With that said, based on our current conservation efforts and based on the condition of LACSD's water wells, in relation to our well soundings, the LACSD's water supply is in fair condition and is in no way at risk of running out of water or at the point that we would need to purchase water from an outside unapproved source.

Although I appreciate your offer to provide RO water from Oilfield Projects, the District has no interest in taking RO water from the oilfield at \$10/unit. The cost including administrative for the LACSD to pump, treat, store and deliver to our customers was just raised on August 1, 2016, to \$2.96 per unit or 100 cubic feet (748 gallons) after a lengthy and costly (\$60,000) Rate Study for which our customers were not happy about.

If we purchased RO water, a new Rate Study under Prop 218 would have to be conducted to reflect the purchased water prices to our customers. The LACSD given our current water

condition and our on-going efforts to establish a GSA with a Groundwater Sustainability Plan believes that the need to purchase outside water is premature and unwarranted at this time. The goal of the San Antonio GSA is to achieve a sustainable Groundwater Basin in the next five to ten years and therefore is no need to purchase water from an outside source.

In addition to the cost factor, the State Water Resources Control Board, Division of Drinking Water has its own requirements and regulations regarding purchased and the blending of two water sources that would be burdensome to the LACSD and would require additional reporting and District resources to ensure that the water being delivered is NSF approved, as well as treated by State Certified Water Treatment Operators. The delivery method via truck directly to our storage tanks raises a multitude of concerns for the LACSD and would more than likely have to be piped in, raising the another concern of who would pay for the installation and maintenance of said piping. There would also be easement issues as well.

Even if we were able to get over all these hurdles, the ultimate question is the cost to the LACSD and its customers and whether or not this is something that is warranted now. The answer is no and until our water conditions change requiring a need for an outside source of water a new Cost Analysis or Rate Study or any other consideration is also not warranted. On behalf of the LACSD and its Board of Directors we respectfully decline your offer and wish you the best for your project. If you have any questions regarding this letter, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin Barnard".

Kevin Barnard  
General Manager  
Los Alamos Community Services District  
[www.losalamoscsd.com](http://www.losalamoscsd.com)